

Date: October 31, 2023

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: FIVESTAR

BSE Limited
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai 400 001
Scrip code: 543663

Sub: Investor Press Release on the Financial and Operational Performance of the Company for the quarter and half-year ended September 30, 2023

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Press Release on the financial and operational performance of the Company for the quarter and half-year ended September 30, 2023.

This Investor Press Release is also available on the website of the Company at <https://fivestargroup.in/investors/>

We request you to take the above intimation on record.

For Five-Star Business Finance Limited

Shalini Baskaran
Company Secretary & Compliance Officer

Five-Star Business Finance Limited

Registered Office : New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai - 600 010.
Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844

FIVE-STAR BUSINESS FINANCE LIMITED

New No 27, Old No 4, Taylor's Road, Kilpauk, Chennai 600010

CIN: L65991TN1984PLC010844

Q2FY2024/H1FY2024 Results

- AUM at INR 8,264 crores (up 44% Y-o-Y and 9% Q-o-Q)
- Disbursements for the quarter stood at INR 1,204 crores (up 50% Y-o-Y and 6% Q-o-Q) and for the half year stood at INR 2,336 crores (up by 70% as compared to the disbursements for the half year ended September 30, 2022)
- PAT for the quarter at INR 199 crores (up 38% Y-o-Y and 9% Q-o-Q) and for the half year ended at INR 383 crores (up by 35% as compared to PAT for the half year ended September 30, 2022)
- Gross Stage 3 at 1.35¹ % / Net Stage 3 at 0.68¹ % (refer note 1)

Note 1: Gross Stage 3 Assets / NPA computed as per ECL model approved by the company in accordance with Ind-AS 109 Financial Instruments after considering guidelines stipulated by RBI vide their circular on Prudential Norms on Income recognition and Asset classification dated Nov 12, 2021 and further clarified through circular dated February 15, 2022 (wherein implementation of upgradation norms were deferred to October 1, 2022) i.e loans that have crossed 90 days past due any time on or after October 1, 2022 and not cleared their arrears fully, expressed as a % of AUM; Net stage 3 represents Gross NPA reduced by impairment allowance on such loans expressed as a percentage

Chennai, October 31, 2023: The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter and half year ended September 30, 2023.

Key Performance Metrics for H1FY2024

Particulars (INR Cr)	H1FY2024	H1FY2023	Y-o-Y
Disbursements	2,336	1,371	70%
AUM	8,264	5,732	44%
PAT	383	284	35%
Gross Stage 3 (%)	1.35% ¹	1.15% ²	Increase by 20 bps
90+ DPD	1.07% ²	1.15% ²	Decrease by 8 bps
ROA (%)	8.45%	8.68%	Decrease by 23 bps

Note 1: Gross Stage 3 Assets / NPA computed as per guidelines stipulated by RBI vide their circular on Prudential Norms on Income recognition and Asset classification dated Nov 12, 2021 and further clarified through circular dated February 15, 2022 (wherein implementation of upgradation norms were deferred to October 1, 2022) i.e loans that have crossed 90 days past due any time on or after October 1, 2022 and not cleared their arrears fully, expressed as a % of AUM;

Note 2: Loans that are overdue for more than 90 days as on the reporting date

Performance Highlights for Q2FY2024/H1FY2024

Particulars	Q2FY2024	H1FY2024
NIM	17.68%	17.72%
Return on Assets	8.47%	8.45%
Return on Equity	17.08%	16.85%

- Networth of INR 4,736 crores
- Borrowings from a large base of about 47 lenders
- Network of 456 branches as on September 30, 2023

Commenting on the results, **Mr Lakshmipathy Deenadayalan, Chairman & Managing Director, Five-Star Business Finance Limited**, said,

Five Star continued to witness strong traction across business and disbursal demand and collections momentum. During the quarter, we disbursed INR 1,204 Crores of loans as against INR 1,132 Crores in the sequential quarter and also registered a disbursement growth of 50% on Y-o-Y basis. We added 70 branches during Q2FY2024, our highest ever branch additions in a quarter, resulting in a strong branch network of 456 branches, to deliver quality service to our customers.

On the collections front, we saw a strong set of numbers, across the metrics of collections efficiency and 30+ DPD. We had a collection efficiency of 100.3% for the quarter and improvement across the various DPD buckets. We saw a decrease in NPA numbers as compared to the previous quarter (1.35% in Q2FY24 vs 1.41% in Q1FY24), our 30+ came down from 9.68% last quarter to 8.59% during the current quarter. We are very confident that the strong growth in disbursements and collection efficiencies pave the way for a strong trajectory across growth, quality and profitability.

We continued to grow consistently and delivered an AUM growth of 44% Year on Year. PAT for Q2FY2024 has grown at 38% as compared to Q2FY2023 and our ROA and ROE stand as one of the best in the industry.

About Five-Star Business Finance Limited: (www.fivestargroup.in; BSE: 543663; NSE: FIVESTAR)

Five-Star Business Finance Limited is a Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India with a network of 456 branches catering to around 340,000 active live accounts in Tamil Nadu (including the Union Territory of Puducherry), Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh and Rajasthan. The Company primarily offers small loans for business purposes, asset creation and other economic purposes to small business customers and self-employed individuals after due underwriting of their cashflows and backed by the collateral of their house property.

For more information contact:

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DISCLAIMER:

Certain statements that are made in the Investor Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in economic environment in India and overseas, tax laws, inflation, litigation, etc. Actual results might differ substantially from those expressed or implied. Five-Star Business Finance Limited will not be in any way responsible for any action taken based on such statements and discussions; and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.